

# TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman  
Lynn Greer, Director  
Melvin Malone, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

July 25, 2001

Mr. Charles L. Howorth, Jr.  
Regulatory Vice President  
BellSouth Telecommunications, Inc.  
333 Commerce Street #2104  
Nashville, TN 37201-3300

Dear Mr. Howorth:

On May 16, 2001, BellSouth filed Tariff No. 01-00440 to introduce CCS7 Access Arrangement Service (the "Tariff"). The Tariff became effective on June 15, 2001. As you know, XO Tennessee, Inc., U.S. LEC of Tennessee, Inc., Leap Wireless International d/b/a Cricket Communications, and Time Warner Telecom of the Mid-South, L.P. filed petitions for intervention which the Authority construed as formal complaints against the Tariff. BellSouth responded by filing BellSouth's Motion to Dismiss Joint Petition, which was argued before the Directors at the Authority Conference held on July 24, 2001. At the conclusion of the oral arguments, BellSouth's Motion to Dismiss Joint Petition was held in abeyance until the Authority gathered additional information concerning the Tariff. To assist the Authority in its review of the Tariff, please respond to the following:

1. Provide supporting calculations demonstrating the Tariff's compliance with the revenue cap for nonbasic services set forth in T.C.A. § 65-5-209(e) and the revenue cap for interconnection services set forth in T.C.A. § 65-5-209(g).
2. In the Tariff's executive summary, BellSouth states "[t]his tariff filing introduces a new service offering called BellSouth CCS7 Access Arrangement." At the oral arguments held on July 24, 2001, BellSouth's counsel characterized the Tariff as a price increase for an existing service – continued access to SS7 functionality for nonlocal/intrastate calls. Explain why BellSouth categorized the Tariff as a new service offering when the Tariff represents a price increase for a customer's continued access to SS7 functionality for nonlocal/intrastate calls. Also include in your response BellSouth's definition of a "new service offering."
3. Provide a copy of the notice sent to customers informing them of the price increase associated with the Tariff. If customers were not notified, explain why BellSouth did not provide this notice.

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We request that you submit your responses to the Authority by Wednesday, August 1, 2001. If you have any questions concerning this matter, contact Joe Shirley at 741-2904, ext. 152.

Sincerely,

A handwritten signature in black ink, appearing to read "K. David Waddell". The signature is stylized with a large, looped "K" and a cursive "Waddell".

K. David Waddell  
Executive Secretary

cc: Mr. Guy Hicks  
Petitioners